

ZIONS BANK®

copy

June 9, 2005

State of Utah
Division of Oil, Gas & Mining
Attn: Beth Ericksen
Salt Lake City, UT

RECEIVED
JUN 23 2005
DIV OF OIL GAS & MINING

Dear Ms. Ericksen:

We have received an uncompleted copy and have accepted in principle the Instruction and Agreement Letter for Joint CDs from the Division of Oil, Gas and Mining. We are awaiting the completed Agreement to be completed by you. Per this letter of instruction CD # _____ has been opened for \$275,000 under the following name:

Wembco, Inc. FBO State of Utah DOGM

This account has an administrative hold placed on it which will expire June 9, 2055.

A copy of all agreements, signature cards, etc. are being held in our branch legal file. Please let me know if you have any questions.

Sincerely,



Mary Bendio
Customer Service Manager



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Zions First National Bank
One South Main St.
Salt Lake City, Utah 84111
801-844-7084

RECEIVED

JUN 23 2005

Attention: Mr. John Seaman, Senior Vice President

DIV OF OIL GAS & MINING

Subject: Reclamation Surety, Certificate of Deposit for Wembco Inc's, Wembco Inc., Asphalt Tar Sand Mine, M-047-032, Uintah County, Utah ,
Certificate of Deposit no. _____ , Principal Amount \$275,000.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions First National Bank, regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for Wembco, Inc., Asphalt Tar Sand mine site, Uintah County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$275,000 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Wembco Inc., Asphalt Tar Sand Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Wembco, Inc., a Utah corporation, and by Thomas W. Bachtel, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to

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prevent the Bank from carrying out the Director=s instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners= control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:


The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

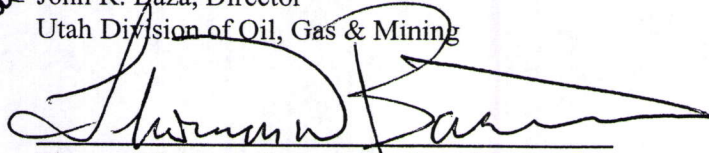
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$275,000.00. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

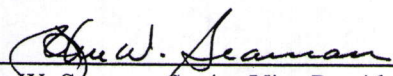
Agreed Upon By:


for John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: 6/30/05


Thomas W. Bachtell, Agent for Wembco, Inc.
Wembco, Inc.
Tax ID Number: _____

Date: 6/10/05


John W. Seaman, Senior Vice President
Zions First National Bank

Date: 6/10/05

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